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DFD-1969-61

29 March 1961

SUBJECT: Clarification of Methods Used Relative to

Requests Flaced with the Depot for Equipment needed in connection with Contract No. DK-3559

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Your letter of 7 March 1961, subject as above, has been reviewed. We appreciate your interest and thought given to the problem. After due consideration, it has been determined that the funds in DK-3559 should continue to be charged for transfer, installation, repairing and/or modification of equipment as discussed in your letter and as provided in Miscellaneous Approval No. 9.

In respect to procurement of new equipment, our best suggestion is to continue until time for establishment of target price considering each such transaction individually as it arises. Your outlined procedure of submitting equipment requirements to the Depot for screening for availability, with the understanding that if not available in useable form (without major modifications) you reconsider the requirement to effect possible substitutes prior to procurement, appears to be satisfactory. If procurement still appears necessary we feel that each item must be considered on its own merits and under existing contract terms rather than under some all inclusive "policy" which we might now agree upon.

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